

Oversight Division

C o m m i t t e e O n L e g i s l a t i v e R e s e a r c h

Review of Estimated Appropriated Funds of the State of Missouri

Review of Estimated Appropriated Funds of the State of Missouri

*Prepared for the Committee on Legislative Research
by the Oversight Division*

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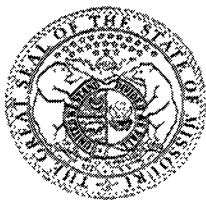
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STATE CAPITOL
JEFFERSON CITY, MISSOURI 65101-6806

February, 2000

Members of the General Assembly:

As authorized by Chapter 23, RSMo, the Committee on Legislative Research adopted a resolution on June 9, 1999 directing the Oversight Division to perform a review of the state's estimated appropriations. The review includes a comparison of estimated appropriations to actual expenditures for the past five years.

The accompanying report includes Oversight's comments on the estimate appropriation process. We hope this information is helpful and can be used in a constructive manner for the betterment of state government.

Respectfully,

A handwritten signature in black ink, appearing to read "Robert M. Clayton III".

Representative Robert M. Clayton III
Chairman

Chapter 1 - Introduction

The Joint Committee on Legislative Research directed the Oversight Division to conduct a review of the state's estimated appropriations. The review was to include a comparison of estimated appropriations to actual expenditures for the past five years and an analysis of the necessity for estimates.

Background

The General Assembly has attempted to limit estimated appropriations to permitting the expenditure of funds where there is little or no discretion in making payments, to allowing payments for uses that are narrowly defined and legally required and to providing sufficient appropriation authority where estimating actual amounts is extraordinarily difficult. Some of the major categories for which estimated appropriations are used include:

- 1) Public debt
- 2) Refunds
- 3) Fringe benefits
- 4) Earmarked distributions (County Foreign Insurance, etc.)
- 5) Statutory distributions (DMH/DOS payments to schools, special election costs, TANF federal cash assistance)
- 6) Single purpose federal grants (Community Development Block Grant, WIC)
- 7) Certain transfers and internal service transfers - billings based on actual use or amounts owed (RATF, TSR transfers)
- 8) Cash flow transfers (interfund)
- 9) All for adjustments authorized by law (FRA, NFFRA, UI)
- 10) Disaster response (National Guard, Disaster Fund)
- 11) Supplemental appropriation individual entitlements (Blind Pension, General Relief, Bright Flight)

Estimated appropriations have been a part of the State of Missouri's budget process since at least 1974. In 1974, Governor Christopher Bond requested an Attorney General's opinion (AG Opinion No. 213, Bond, May 10, 1974) "concerning the meaning of the word "estimate" as used in" an appropriation bill for fiscal year 1975. The opinion concluded:

" that the legislature intended to reflect this estimated amount, for reference purposes only, and did not intend to limit the amount of the appropriation."

In 1976, State Treasurer James Spainhower requested an Attorney General's opinion (AG Opinion No. 56, Spainhower, March 19, 1976) on the validity of so-called "open-ended" appropriations to state departments and agencies. The opinion concluded:

"that Section 23, Article IV, Constitution of Missouri, does not require that an appropriation must be stated as a specific dollar amount but only requires that the amount be capable of ascertainment; and therefore, so-called "open-ended"

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appropriations are valid. Furthermore, the practice of stating estimated amounts with "open-ended" appropriations does not constitute maximum limitations which must be adhered to."

Section 33.812 , enacted during the 1994 session, stated:

" (1) Prior to the acceptance of any new financial assistance or grants from the federal government, or agency thereof, by or on behalf of the state agency thereof, a copy of such application shall be submitted to the members of the budget committee of the house of representatives, the members of the appropriations committee of the senate and the office of administration unless notification of the new assistance or grant was provided through the agency's budget process."

" (2) The provisions of subsection 1 of this section shall not apply to publicly supported two- and four-year institutions of higher education unless the federal grant or assistance requires the state to appropriate state funds as a condition that must be met for expenditure of the federal grant or assistance."

The process of obtaining an estimated appropriation begins with each state department determining whether they have sufficient information on a particular program or funding source to request specific appropriation authority. Typically new legislation or a new funding source are the primary reasons for state departments to request an estimated appropriation. If the state department does not have sufficient information to request specific appropriation authority a decision item for the estimated appropriation is included in their department's budget request that is submitted to the Office of Administration - Division of Budget and Planning (BAP). BAP reviews the reasoning and explanations for the requested estimated appropriation to determine if it is appropriate. If BAP agrees, the request is included in the budget submitted to the General Assembly.

The following table summarizes the number of estimated appropriations that each agency was authorized in the last seven years.

AGENCIES	FY 94	FY 95	FY 96	FY 97	FY 98	FY 99
Public Debt	2	3	3	3	3	3
Elementary and Secondary Education	30	6	21	27	27	32
Higher Education	5	12	17	19	24	28
Revenue	8	10	19	21	24	24
Transportation	13	15	16	17	15	17
Office of Administration	28	23	39	46	46	49
Agriculture	5	4	7	6	6	8
Natural Resources	19	14	20	26	28	29
Economic Development	18	22	26	27	36	36
Insurance	2	1	4	3	4	3
Labor	1	4	12	12	13	15
Public Safety	20	19	30	29	41	38
Corrections	0	0	0	2	3	3
Mental Health	2	3	1	3	3	4

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Health	6	0	0	2	3	5
Social Services	20	2	23	21	26	29
Governor	2	2	2	2	2	2
Lt. Governor	0	0	1	1	0	0
Secretary of State	1	3	4	4	5	6
State Treasurer	5	3	5	5	5	6
Attorney General	0	1	1	1	1	2
Supreme Court	1	1	2	1	3	3
Public Defender	0	0	0	1	1	1
Totals	188	148	253	279	319	343

For evaluation purposes, Oversight has classified each estimated appropriation into one the following categories:

- 1) General Revenue - estimated appropriations that are funded by state General Revenue Fund.
- 2) Federal - estimated appropriation that are used to account for federal grants, drawdowns, and awards that an agency will be receiving or anticipate receiving from the federal government during a fiscal year.
- 3) Other - estimated appropriations that are restricted to special revenue funds or trust and agency funds that receive funding from fees assessed on users of services. It also includes estimated appropriations that are used to make refunds/distributions to taxpayers and local political subdivisions.

OBJECTIVES

The review included all estimated appropriations for state agencies that were included in the state budget. Objectives included obtaining explanations for the estimated appropriations and information on various overages and underages of the estimated appropriations.

SCOPE

The scope of the review concentrated on the usage of estimated appropriations by state agencies for the time period July 1, 1993 to June 30, 1999.

METHODOLOGY

The methodology used by the Oversight Division included examination of statewide accounting data and management controls. A primary method used in the evaluation was conducting personal interviews with agency personnel.

Chapter 2 - Department Summaries

OFFICE OF ADMINISTRATION

The Office of Administration (COA) is appropriated funds for arbitrage rebate and refunding of outstanding debt. Arbitrage is excess interest earnings on outstanding bonds above the ceiling allowed by the federal government. Bonds are refunded when savings in interest costs could be realized when interest rates decline. COA's response to why an 'E' is necessary is "due to fluctuating interest rates, refunding cannot be predicted." The appropriations are requested at a \$1E "due to uncertainty of interest rates."

COA is also appropriated funds to pay state employee fringe benefits. These include retirement, OASDHI (social security), deferred comp, and health care. According to COA, estimated appropriations are needed due to fluctuating number of state employees, pay increases, and changes in federal law that could occur during a fiscal year. Estimates are based on personal service budgets and participation rates.

COA is appropriated funds through its revolving fund to pay statewide telecommunications costs, state data center costs, facility modifications, fuel/utilities and store purchases. COA pays the cost of the service, then bills each department for its share. The telecommunications and state data center appropriations were originally requested as estimated due to data center consolidation (recommended by COMAP) and Internet growth. Data center consolidation is now complete. The facility modification appropriation allows Facilities Management the ability to perform building modification services to tenant agencies without depleting its operating appropriation authority. According to COA, fuel and utilities is requested as an 'E' because the cost of utilities varies based on the severity of weather. Store purchases is requested with an 'E' because the demand for printing, postage, vehicle repair and other services is variable, depending solely upon demand from agencies. Estimations are made from historical data and trend analysis.

The voluntary life insurance estimated appropriation distributes moneys that employees elect to have withheld from their paychecks for life insurance to the applicable insurance company. COA stated an 'E' is requested because of the uncertainty of how many employees will elect to participate. The estimate is based on prior year actual expenditures.

The flood control and national forest reserves appropriations pass through federal funds to counties. COA requests an 'E' due to fluctuations in the amounts received. COA stated the estimates are based on prior year actual expenditures.

The MOHEFA estimated appropriation is a letter of credit that pays paying agent fees, legal fees for arbitrage and miscellaneous items for the Series A 1989 Missouri College Savings Bonds. Bonds were defeased in FY 1996. According to COA, an 'E' is requested due to fluctuation in fees and costs. COA's estimate is based on the average of historical expenses.

New job training certificates estimated appropriation allows the state to pay principal and interest of defaulted certificates issued by community colleges on behalf of businesses establishing new jobs as part of the Department of Economic Development's New Jobs Training Program. According to

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COA, a \$1 E is requested to serve as a placeholder, which could preserve the state's bond rating. COA does not anticipate, and could not predict, which businesses would decrease or eliminate its operation. COA states the appropriation has never been used.

The estimated appropriations for interest payments on federal grants is to reimburse the federal government on excess interest earned on federal monies deposited in the state treasury as required by the federal Cash Management Improvement Act. According to COA, an 'E' is requested due to uncertainty of the liability each year. The estimate is based on prior year expenditures.

The Correctional Prosecution Reimbursement to Counties estimated appropriation provides reimbursement to counties for costs incurred in the prosecution of crimes occurring in correctional institutions located in that county. An 'E' is requested because qualifying circumstances cannot be predicted. The estimate is based upon the average of the previous four years expenditures.

The estimated appropriation for costs in criminal cases provides reimbursement to counties in prosecuting criminal cases, housing and transporting prisoners. An 'E' is requested because allowable costs fluctuate annually, so an estimated appropriation is necessary to ensure the state can pay its obligations pursuant to the law. The major cost component is the number of days spent in jail awaiting trial, which is difficult to predict from year to year. The estimate is based on prior year expenditures.

Escheats Fund claims estimated appropriations provide for the disposition of unclaimed property when an individual dies leaving no heirs. An 'E' is requested due to the uncertainty of the amount of claims to be paid out in any given year. Payouts occur when heirs come forward with court orders to claim escheat funds. The estimate is based on prior year expenditures.

Estimated appropriations for land grants to colleges pass through federal funds for support of Missouri's land grant universities. No federal monies have been received since FY 95, but a \$1E placeholder is requested in case the distribution is restored.

Special Election Costs estimated appropriations allow the state to pay political subdivisions costs of special elections. An 'E' is requested because the number of special elections and associated costs cannot be predicted. A \$1E placeholder is requested by COA.

Description	Fiscal Year 1999				
	Bill Section	Fund	Original Appropriation	Actual Expenditure	Amount Over (Under) Appropriation
Paying/escrow agent fees	1.010	GR	\$80,000	\$77,600	(\$2,400)
Arbitrage rebate	1.020	GR	\$1	\$6,668	\$6,667
Refunding of debt	1.030	GR	\$1	-	(\$1)
Total for Public Debt			\$80,002	\$84,268	\$4,266
Transfer to GR from various funds	5.012	OTH	\$3,351,990	-	(\$3,351,990)
Centralized telephone billing system	5.035	OTH	\$35,300,000	\$33,760,320	(\$1,539,680)
Transfer to GR for DOC telephone	5.040	OTH	\$12,750,000	\$11,462,033	(\$1,287,967)
Arbitrage rebate	5.125	GR	\$1	-	(\$1)

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Refunding of debt	5.120	GR	\$1	-	(\$1)
Refunding bid plan deposits	5.050	OTH	\$148,000	\$101,375	(\$46,625)
Transfer to GR - UCP studies	5.070	FED	\$100,000	\$687	(\$99,313)
"		OTH	\$328,375	\$152,472	(\$175,903)
Refunding bid and performance bonds	5.085	OTH	\$1,000,000	\$1,686,000	\$686,000
Surplus property - fixed price vehicles	5.090	OTH	\$800,000	\$782,009	(\$17,991)
"	5.100	OTH	\$1,200,000	\$1,029,463	(\$170,537)
Fuel and utilities for leased facilities	5.110	OTH	\$1,250,000	\$1,092,645	(\$157,355)
Transfer to GR for BPB rent	5.145	FED	\$500,000	\$421,285	(\$78,715)
"		OTH	\$4,396,000	\$3,925,706	(\$470,294)
Workers' Comp benefit payments	5.165	GR	\$11,250,000	\$11,814,459	\$564,459
"		FED	-		
"		OTH	\$800,000	\$410,049	(\$389,951)
Transfer to GR - Workers' comp	5.170	FED	\$200,000	\$878,583	\$678,583
"		OTH	\$300,000	\$901,111	\$601,111
Payment of workers' comp tax payments	5.175	GR	\$500,000	\$481,380	(\$18,620)
"		OTH	\$20,000	\$19,057	(\$943)
Transfer to Legal Expense Fund	5.180	GR	\$4,000,000	\$5,125,000	\$1,125,000
"		OTH	\$307,435	\$551,028	\$243,593
Payment of legal expense claims/exp	5.185	OTH	\$4,307,435	\$5,718,080	\$1,410,645
Store purchases - expense & equipment	5.190	OTH	\$4,000,000	\$3,682,573	(\$317,427)
Children's trust fund program disburse.	5.205	OTH	\$2,500,000	\$1,706,539	(\$793,461)
Children's trust fund gifts/grants		OTH	\$1	-	(\$1)
Transfer to contri. fund - OASDHI	5.230	GR	\$65,400,000	\$66,505,354	\$1,105,354
"		FED	\$21,400,000	\$20,100,383	\$(1,299,617)
"		OTH	\$38,900,000	\$20,266,839	(\$18,633,161)
Transfer to contri.fund - OASDHI (Hwy)	5.235	OTH	\$1,487,956	\$15,854,947	\$14,366,991
Payment of OASDHI	5.240	OTH	\$127,187,956	\$112,872,111	(\$14,315,845)
Transfer to retirement fund	5.245	GR	\$134,700,000	\$130,078,729	(\$4,621,271)
"		FED	\$39,200,000	\$34,923,283	(\$4,276,717)
"		OTH	\$38,857,196	\$26,084,345	(\$12,772,851)
Payment of retirement contributions	5.250	OTH	\$212,757,196	\$175,031,304	(\$37,725,892)
Public school retirement benefits	5.255	GR	\$2,735,015	\$2,032,829	(\$702,186)
"		FED	\$1,070,000	\$445,855	(\$624,145)
"		OTH	\$71,600	\$48,712	(\$22,888)
Transfer to contri. Fund - Deferred Com	5.265	GR	\$5,822,000	\$5,492,911	(\$329,089)
"		FED	\$1,800,000	\$2,043,946	\$243,946
"		OTH	\$3,800,000	\$1,893,495	(\$1,906,505)
Transfer to contri. Fund - def com (Hwy)	5.270	OTH	\$139,200	\$1,607,946	\$1,468,746
Payment of deferred comp state share	5.275	OTH	\$11,561,200	\$11,097,700	(\$463,500)
Reimbursing Emp Security - ben claims	5.280	GR	\$1,324,000	\$1,025,726	(\$298,274)
"		FED	\$396,700	\$193,299	(\$203,401)
"		OTH	\$509,251	\$496,339	(\$12,912)
Transfer to MCHCP fund	5.285	GR	\$64,300,000	\$67,253,619	\$2,953,619
"		FED	\$15,700,000	\$18,340,393	\$2,640,393
"		OTH	\$12,200,000	\$9,597,884	(\$2,602,116)

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Payment to MCHCP	5.290	OTH	\$92,200,000	\$86,642,796	(\$5,557,204)
Refunds of withholding taxes	5.295	GR	\$30,000	\$36,596	\$6,596
Voluntary life insurance	5.300	OTH	\$1	\$950,191	\$950,190
Flood control distribution to counties	5.305	FED	\$575,000	\$743,509	\$168,509
National forest reserve distr to counties	5.310	FED	\$2,600,000	\$2,159,292	(\$440,708)
MOHEFA letter of credit	5.325	GR	\$1	\$7,792	\$7,791
New job training certificates	5.330	GR	\$1	-	(\$1)
Interest payments on federal grants	5.335	GR	\$1,000,000	\$1,646,317	\$646,317
Correct'l prosecution reimb to counties	5.375	GR	\$15,000	\$2,200	(\$12,800)
Costs in criminal cases	5.380	GR	\$25,502,500	\$26,671,006	\$1,168,506
Escheats fund claims	5.395	OTH	\$300,000	\$140,864	(\$159,136)
Land grants to colleges	5.405	FED	\$1	-	(\$1)
Costs with maximizing federal funds rec.	5.410	GR	\$10,000	-	(\$10,000)
Transfer to State Election Subsidy Fund	5.415	GR	\$1	\$1,427,701	\$1,427,700
Special election costs	5.420	OTH	\$1	\$1,512,549	\$1,512,548
Transfer to GR RATF payback	5.430	OTH	\$1	\$32,869	\$32,868
Transfer to various funds for cash flow	5.445	GR	\$1	\$4,280,003	\$4,280,002
Transfer to GR for repayment	5.450	OTH	\$1	\$4,280,003	\$4,280,002
Total for OA			\$1,012,861,017	\$939,523,491	(\$73,337,526)

DEPARTMENT OF ELEMENTARY AND SECONDARY EDUCATION

The largest estimated appropriation for the years examined was the distribution of Proposition C sales tax funds to schools in FY 1999. The size of the distribution depends on sales by Missouri retailers. The Office of Administration's Division of Budget and Planning estimates this number based on previous years' experience and estimates of effects of changes to the sales tax law. There are also distributions of insurance tax collections and cigarette tax collections. Again, the actual amount of monies to be distributed depends upon actions which are outside control of the Department and estimates are made by the COA - Division of Budget and Planning.

The second largest estimated appropriation for the years examined was in FY 1999 for the Outstanding Schools Trust Fund appropriation for the Foundation Formula. The Outstanding Schools Trust Fund receives money based on Office of Administration estimates of funds received due to tax changes enacted in the Outstanding Schools Act of 1993.

The appropriation for desegregation programs is an estimate based on previous years' experience and projections from negotiations among DESE and the desegregation monitoring committees and federal judges.

There are several "pass through" programs, which means that federal funds are distributed to school districts. In many cases the amount of funds available is not known with certainty when DESE is preparing its budget requests (or even when the state budget is finalized).

It should be noted that the appropriations involving the Outstanding Schools Trust Fund have estimated

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appropriations for the current fiscal year, the rest are not estimated appropriations though they are based on estimates.

Description	Fiscal Year 1999				
	Bill	Original	Actual	Amount Over	
	Section	Fund	Appropriation	Expenditure	(Under) Appropriation
PS/EE	2.005	OTH	\$2,659,766	\$2,169,104	(\$490,662)
Bond investments	2.010	OTH	\$10,000,000	\$13,300,808	\$3,300,808
Foundation formula	2.020	OTH	\$442,682,897	\$ 412,615,189	(\$30,067,708)
Distribution of public schools	2.050	OTH	\$24,443,262	\$22,012,472	(\$2,430,790)
Distribution of public schools	2.055	OTH	\$602,271,098	\$605,079,557	\$2,808,459
County Foreign Ins distribution	2.060	GR	\$75,850,000	\$71,559,673	(\$4,290,327)
School Reimb for brkfst/lunches	2.035	FED	\$108,851,000	\$102,956,297	(\$5,894,703)
Desegregation	2.015	GR	\$250,600,000	\$285,015,670	\$34,415,670
Federal grants	2.066	FED	\$1	\$623,308	\$623,307
Plan/Implement computer network	2.080	FED	\$1	\$7,668,559	\$7,668,558
Compensatory Education	2.085	FED	\$130,000,000	\$126,498,709	(\$3,501,291)
Chapter 2 of Fed Ed Cons Act	2.090	FED	\$8,600,000	\$7,575,149	(\$1,024,851)
Instructional improvement grants	2.140	FED	\$5,000,000	\$4,846,233	(\$153,767)
Drug abuse education/prevention grants	2.145	FED	\$6,900,000	\$6,728,852	(\$171,148)
Gifted Programs from Stephen Ferman	2.095	OTH	\$10,000	\$5,508	(\$4,492)
Video instructional dev/ed grants	2.075	OTH	\$3,809,366	\$1,711,202	(\$2,098,164)
Vocational Rehabilitation	2.165	FED	\$25,500,000	\$27,152,915	\$1,652,915
Disability Determination Program	2.175	FED	\$18,000,000	\$15,679,842	(\$2,320,158)
Personal care assistance program	2.180	FED	\$1,151,076	\$252,099	(\$898,977)
Independent living centers	2.185	OTH	\$210,000	\$189,184	(\$20,816)
Vocational ed distributions to schools	2.190	FED	\$28,777,000	\$18,579,115	(\$10,197,885)
Job training programs	2.195	FED	\$11,000,000	\$4,402,106	(\$6,597,894)
Adult Basic Ed distribution to schools	2.200	FED	\$8,842,236	\$4,074,078	(\$4,768,158)
Special education programs	2.225	FED	\$74,277,381	\$77,617,449	\$3,340,068
First steps	2.227	FED	\$5,422,619	-	(\$5,422,619)
PS/EE at Deaf, Blind, Severely Hand.	2.260	FED	\$4,102,773	\$2,056,024	(\$2,046,749)
School for the Deaf	2.265	OTH	\$50,000	-	(\$50,000)
School for the Blind	2.270	OTH	\$1,500,000	\$733,015	(\$766,985)
State Schools for the Severly Hand.	2.275	OTH	\$25,000	-	(\$25,000)
Transfer to State School Moneys	2.295	OTH	\$128,800,000	\$137,506,801	\$8,706,801
Transfer to Video Instructional	2.300	GR	\$3,964,253	\$1,212,451	(\$2,751,802)
Transfer to Outstanding Schools Trust	2.305	GR	\$397,600,000	\$360,000,000	(\$37,600,000)
Total for Department of Elementary and Secondary Education			\$2,380,899,729	\$2,319,821,369	(\$61,078,360)

COORDINATING BOARD FOR HIGHER EDUCATION

The largest estimated appropriation for the years examined for the Coordinating Board of Higher Education (CBHE) has been an appropriation for purchase of defaulted loans, payment of default aversion fees, reimbursement to the federal government, and investment of funds on the Federal Student Loan Reserve Fund. The request for an estimated appropriation has been made in order to have enough money to repay lenders in case of an increase in loan defaults. This might be caused by an economic downturn. This appropriation, for \$85,000,000, is not an estimated appropriation for the current fiscal year.

The Department of Higher Education instituted revolving funds with estimated appropriations for four scholarship funds: the Academic Scholarship Fund, the Student Grant Fund, (sometimes called the Charles E. Gallagher Program), the Advantage Missouri Trust Program, and the Marguerite Ross Barnett Scholarship Fund. The reason for this is to allow refunds from institutions due to grants given to students who do not use the grants. The unused grants are to be recycled as grants to other students without the need to use accounting procedures which could result in, for example, a \$1,000,000 appropriation accounting for \$950,000 in scholarships.

Another estimated appropriation, the transfer from Federal Student Loan Reserve Fund to U.S. Department of Education/Coordinating Board for Higher Education P.L. 105-33 recall account, is a result of a federal law mandating that certain federal funds be returned to the federal government in the first quarter of FY 2003. Until then, the Department may use earnings on the Recall Account for default prevention activities. The amount to be transferred is driven by a formula. Changes in several factors could change the amount to be transferred.

Description	Fiscal Year 1999				
	Bill Section	Fund	Original Appropriation	Actual Expenditure	Amount Over (Under) Appropriation
Indemnifying individuals for improper act	3.011	OTH	\$1	\$9,393	\$9,392
Higher Ed Academic Scholarship Prgm	3.045	OTH	\$14,837,000	\$15,350,000	\$513,000
Student Grants transfers	3.049	FED	\$1,000,000	\$504,759	(\$495,241)
Student Grants transfers	3.049	OTH	\$50,000	\$2,969,278	\$2,919,278
Bridge Scholarship	3.055	OTH	\$4,900,000	\$4,868,833	(\$31,167)
Paul Douglas scholarship	3.070	FED	\$1	-	(\$1)
Renewable scholarships	3.075	OTH	\$100,000	-	(\$100,000)
Vietnam veterans survivors scholarship	3.065	GR	\$1	\$6,984	\$6,983
Transfer to recall account	3.083	OTH	\$12,968,668	\$13,110,886	\$142,218
Transfer to interest account	3.084	OTH	\$500,000	\$142,218	(\$357,782)
MO Guaranteed Stdnt Loan Adm PS/EE	3.085	OTH	\$1	\$87,501	\$87,500
Purchase of defaulted loans	3.086	OTH	\$65,000,000	\$46,927,738	(\$18,072,262)
Lender of last resort	3.088	OTH	\$1	-	(\$1)

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Debt offset - community colleges	3.091	OTH	\$1	\$7,143	\$7,142
Debt offset - CBHE	3.087	OTH	\$750,000	\$94,484	(\$655,516)
Debt offset - CMSU	3.100	OTH	\$1	\$62,041	\$62,040
Debt offset - SEMO	3.105	OTH	\$1	\$25,655	\$25,654
Debt offset - SMS	3.110	OTH	\$1	\$74,029	\$74,028
Debt offset - SMS West Plains	3.111	OTH	\$1	\$1,702	\$1,701
Debt offset - LU	3.115	OTH	\$1	-	(\$1)
Debt offset - Truman	3.120	OTH	\$1	\$3,066	\$3,065
Debt offset - NEMO	3.125	OTH	\$1	\$21,056	\$21,055
Debt offset - Southern	3.130	OTH	\$1	\$4,972	\$4,971
Debt offset - Western	3.135	OTH	\$1	\$4,192	\$4,191
Debt offset - Harris Stowe	3.140	OTH	\$1	-	(\$1)
Debt offset - MU	3.145	OTH	\$1	-	\$91
Investment in bonds	3.195	OTH	\$1,700,000	\$1,409,000	(291,000)
Use by the University of Missouri	3.200	OTH	\$275,000	\$185,956	(89,044)
Total for Higher Ed			\$102,080,685	\$85,870,886	(\$16,209,799)

DEPARTMENT OF TRANSPORTATION

Generally, MoDOT indicated that appropriations for road construction and maintenance costs need to be estimated in order to allow the department to respond to public needs. For federal reimbursement programs, the estimated appropriation allows the full utilization of federal funds available. Several grant programs, such as the Transit and Rail Programs, have variances between appropriated amounts and actual expenditures due in part to timing differences, since grants are for multiple years and in some cases local fiscal years do not coincide with the state's fiscal year. MoDOT also indicated for these grants that the department requests estimated appropriations in order to reduce the number of separate appropriations required and to simplify recordkeeping, rather than ask for reappropriations for on-going programs.

Description	Fiscal Year 1999				
	Bill	Original	Actual	Amount Over	
	Section	Fund	Appropriation	Expenditure	(Under) Appropriation
Highway Dept fringe benefits	4.205	OTH	\$87,595,017	\$67,657,899	(\$19,937,118)
Maintenance program - hourly/OT	4.210	OTH	\$8,067,001	\$5,421,641	(\$2,645,360)
Maintenance program - EE	4.210	OTH	\$72,581,178	\$64,199,812	(\$8,381,366)
Maintenance program - construction	4.210	OTH	\$75,600,053	\$60,285,430	(\$15,314,623)
Construction program - PS	4.215	OTH	\$88,928,439	\$90,448,009	\$1,519,570
Construction program - EE	4.215	OTH	\$57,157,052	\$74,312,027	\$17,154,975
Construction program - construction	4.215	OTH	\$611,918,970	\$662,477,985	\$50,559,015
Intermodal Surface Trans Act	4.220	OTH	\$8,200,000	\$5,806,402	(\$2,393,598)
"	4.240	OTH	\$1	\$300,000	\$299,999
Transit program - CI grants	4.250	FED	\$1,117,527	\$1,278,367	\$160,840
Transit program - urban grants	4.260	FED	\$2,209,077	\$2,775,351	\$566,274

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Transit program - small urban/rural grmt	4.265	FED	\$2,813,393	\$3,070,229	\$256,836
Transit program - elderly/disabled grmt	4.270	FED	\$5,000,000	\$11,209,077	\$6,209,077
Rail program - metro grants	4.275	FED	\$695,407	\$588,153	(\$107,254)
Rail program - assistance grants	4.276	FED	\$1	\$325,150	\$325,149
Aviation program - CI	4.290	OTH	\$450,000	\$188,751	(\$261,249)
Aviation program - CI	4.295	FED	\$16,000,000	\$10,118,605	\$4,118,605
Total for Department of Transportation			\$1,028,333,116	\$1,060,462,888	\$32,129,772

DEPARTMENT OF REVENUE

The Department of Revenue's (DOR) estimated appropriations are almost all for refunds or distributions to local governments. In either case the actual expenditure depends on actions of persons outside of the Department. The Office of Administration's Division of Budget and Planning makes the estimates on which the appropriations are based. Estimates are based on previous years' spending and estimates of the effects of changes in law which would affect a particular refund or distribution. The largest estimated appropriation is for tax refunds from the General Revenue Fund. Refunds for individual and corporate income taxes, senior citizen circuit breaker refunds, withholding tax refunds, part of sales tax refunds, and refunds for any general fund tax come from this appropriation. The largest distributions are motor fuel tax distributions to cities and counties.

The estimated appropriations for the Lottery Commission are also estimated by the Division of Budget and Planning. Actual spending depends upon the popularity of lottery games and the number and size of prizes won by Missourians. Estimates are based on previous years' activities.

Description	Fiscal Year 1999				
	Bill	Fund	Original	Actual	Amount Over
	Section		Appropriation	Expenditure	(Under) Appropriation
Tax refunds - general	4.030	GR	\$548,200,000	\$783,288,625	\$235,088,625
Transfer to general revenue-Article X	4.035	OTH	\$60,056,458	\$46,226,283	(13,830,175)
Article X refunds	4.040	GR	\$318,792,419	\$318,792,419	-
County stock insurance tax	4.055	GR	\$5,031,000	\$5,315,989	\$284,989
Tax refunds - highway	4.060	OTH	\$1,500,000	\$1,611,175	\$111,175
Payment of fees for record entry	4.065	OTH	\$250,000	\$204,206	(\$45,794)
Problem driver point system	4.070	OTH	\$480,500	\$95,734	(\$384,766)
Distribution to cities motor fuel tax	4.075	OTH	\$127,400,000	\$124,110,989	(\$3,289,011)
Distribution to counties gas tax	4.080	OTH	\$100,500,000	\$92,949,431	(\$7,550,569)
Refunds - Aviation trust	4.085	OTH	\$16,000	\$14,348	(\$1,652)
Refunds - motor fuel taxes	4.090	OTH	\$42,070,000	\$42,068,634	(\$1,366)
Fees to counties delinquent collections	4.095	GR	\$2,000,000	\$2,051,287	\$51,287
Fees to counties lien notices	4.100	GR	\$125,000	\$73,463	(\$51,537)
Tax refunds - workers comp	4.105	OTH	\$1,400,000	\$269,443	(\$1,130,557)
Tax refunds - second injury	4.110	OTH	\$375,000	\$133,966	(\$241,034)

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Tax refunds - tobacco	4.115	OTH	\$86,000	\$79,956	(\$6,044)
Refunds - Motor vehicle commission	4.120	OTH	\$4,000	\$8,269	\$4,269
Debt offset	4.132	OTH	\$3,700,000	\$89,831	(\$3,610,169)
Transfer to Debt offset	4.130	GR	\$3,700,000	\$6,777,203	\$3,077,203
Transfer to GR	4.140	OTH	\$180,000	\$206,929	\$26,929
Transfer to GR	4.145	OTH	\$180,000	\$206,929	\$26,929
Lottery expense and equipment	4.155	OTH	\$37,198,194	\$33,625,509	(\$3,572,685)
Lottery payment of prizes	4.160	OTH	\$75,000,000	\$74,293,798	(\$706,202)
Transfer to Lottery Proceeds	4.165	OTH	\$135,601,000	\$154,793,402	\$19,192,402
Total for Revenue			\$1,463,845,571	\$1,687,287,818	\$223,442,247

DEPARTMENT OF NATURAL RESOURCES

The Department of Natural Resources (DNR) has used forty (40) estimated appropriations over the past seven fiscal years. In the current fiscal year, they are using twenty two (22) estimated appropriations with a total value of \$33,447,989. Several reasons for using estimated appropriations were cited by the department, including:

- to utilize additional federal funding that might become available,
- variations in the year-to-year collections,
- the difficulty in accurately predicting the number or amount of claims/loans/grants/costs etc.,
- flexibility to make required payments, and
- the possibility of emergency situations.

The largest estimated appropriations for the DNR used for FY 2000 are for loans/grants used for the construction of water, wastewater, and sewer facilities. These appropriations are generally used to fund grants or construction loans to help Missouri communities build or improve facilities. Depending upon several factors, such as construction progress, timing of loan payments and approval of submitted applications, the expenditures may greatly increase or decrease from year to year. The Department uses an estimated appropriation for these items to be able to accomodate any fluctuations in spending from year to year and still be able to have sufficient appropriation authority to make necessary payments.

Another large (\$4.1 million in FY 2000) estimated appropriation used by the DNR is for the Underground Storage Tank claims/expense, which funds the annual underwriting and policy issuance for 2,900 tank owners as well as financing the ongoing cleanups at more than 1,000 sites. The Department uses an estimated appropriation because of the difficulty in predicting the number of claims and the cleanup costs.

Large estimated appropriations that were used for a number of years, but were ceased as of FY 2000, include the Air Pollution control grants and Reclamation of mined lands programs. The Air pollution control grants were appropriations passed through DNR to local governing bodies within Missouri that maintained their own air pollution programs including St. Louis, Kansas City,

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Springfield, and St. Louis County. The reclamation of mined lands program provided funding to clean up mined lands that were either abandoned or defaulted.

Description	Fiscal Year 1999				
	Bill Section	Fund	Original Appropriation	Actual Expenditure	Amount Over (Under) Appropriation
Energy efficiency services	6.210	FED	\$6,000,000	\$3,545,189	(\$2,454,811)
"		OTH	\$11,000,000	\$5,425,275	(\$5,574,725)
Energy resource authority all costs	6.215	OTH	\$1	-	(\$1)
Payments in lieu of taxes	6.222	OTH	\$40,000	\$20,145	(\$19,855)
Specified gifts (and amounts)	6.230	OTH	\$100,000	\$34,316	(\$65,684)
Transfer to State Park Revolving	6.242	OTH	\$500,000	-	(\$500,000)
Purchase of items for resale	6.245	OTH	\$300,000	\$289,676	(\$10,324)
State park concession expenses	6.250	OTH	\$200,000	\$155,272	(\$44,728)
Historic restoration grants	6.255	FED	\$500,000	\$227,950	(\$272,050)
State park grants	6.257	FED	\$75,000	\$35,538	(\$39,462)
Gas remedial expenditures	6.280	OTH	\$20,000	-	(\$20,000)
Serveying corners and records restor.	6.287	FED	\$240,000	\$184,601	(\$55,399)
Lab Services - E&E	6.330	OTH	\$30,000	\$33,165	\$3,165
Underground Storage Tank claims/exp	6.310	OTH	\$14,500,000	\$14,132,039	(\$367,961)
Water pollution control program	6.350	FED	\$1,444,925	\$1,375,192	(\$69,733)
Closure of animal feeding operations	6.365	OTH	\$37,000	-	(\$37,000)
Rural sewer and water grants	6.375	OTH	\$660,000	-	(\$660,000)
Permit application reviews	6.380	OTH	\$275,000	\$197,719	(\$77,281)
Air pollution control grants	6.385	FED	\$1,300,000	\$700,205	(\$599,795)
"		OTH	\$1,825,000	\$969,780	(\$855,220)
Asbestos grants	6.385	OTH	\$300,000	\$24,233	(\$275,767)
Bond forfeiture funds reclam mined					
land	6.390	OTH	\$500,000	\$4,757	(\$495,243)
Land reclamation program - E&E	6.395	OTH	\$50,000	\$4,095	(\$45,905)
Reclamation of mined lands	6.395	OTH	\$1,000,000	\$42,529	(\$957,471)
Reclamation of abandoned mined					
lands	6.400	OTH	\$3,500,000	\$1,254,813	(\$2,245,187)
Soil and water demonstration projects	6.415	FED	\$100,000	\$81,584	(\$18,416)
Minority/under-rep student					
scholarship	6.443	OTH	\$50,000	-	(\$50,000)
Damages to state's natural resources	6.445	OTH	\$269,711	\$58,606	(\$211,105)
Forfeited financial assurance instrmnts	6.447	GR	\$74,519	\$2,588	(\$71,931)
"		OTH	\$211,658	\$6,271	(\$205,387)
Refunds	6.455	OTH	\$250,000	\$891,248	\$641,248
Sales tax on retail sales	6.460	OTH	\$235,000	\$172,767	(\$62,233)
Total for Department of Natural Resources			\$45,587,814	\$29,869,553	(\$15,718,261)

DEPARTMENT OF AGRICULTURE

The Department of Agriculture has used eleven (11) estimated appropriations over the past seven (7) fiscal years. In the current fiscal year, they are using six (6) estimated appropriations with a total value of \$241,000. Several reasons for using estimated appropriations were cited by the department, including:

- to utilize additional federal funding that might become available,
- because of the difficulty in projecting the number of future violations of the Livestock Dealer Law and the Livestock Marketing Law,
- variations in the year-to-year collections,
- the difficulty in accurately predicting the level of refunds in future years, and
- to cover potential costs of an animal disease emergency.

By far, the largest estimated appropriation for the Department of Agriculture has been Refunds and Commodity Council reimbursement, which had appropriations of \$8 million for fiscal years 1994 through 1999. In fiscal year 1999, actual expenditures (and subsequent appropriations for FY 2000) dropped substantially because the commodity council fund distribution was moved to the Department of Revenue pursuant to HB 1876 (1998). According to the department, large variances existed between the original appropriations and the annual actual expenditures because of the large variations in the year-to-year collections.

Other appropriations that are still being estimated include three dedicated appropriations, Research/Promotion/Marketing of apples, Missouri aquaculture council and Missouri wine marketing/research which distribute merchandising or marketing fees that are collected with the sale of the respective commodities. Also being estimated are the Refunds appropriation used to issue timely refunds of overpayments or other inappropriate payments that are collected by the department, and the Indemnity Payments used to control and eradicate diseases through removal and destruction of infected animals.

Description	Fiscal Year 1999				
	Bill Section	Fund	Original Appropriation	Actual Expenditure	Amount Over (Under) Appropriation
Refunds and commodity council reimb	6.072	OTH	\$8,000,000	\$335,866	(\$7,664,134)
Research/Promo/Market of apples	6.073	OTH	\$12,000	\$3,973	(\$8,027)
Refunds	6.025	GR	\$4,000	\$4,879	\$879
Animal Health EE	6.055	FED	\$5,000	\$24,979	\$19,979
Livestock dealer law enforcement	6.055	OTH	\$12,250	\$1,619	(\$10,631)
Livestock market regulations	6.055	OTH	\$32,565	\$18,893	(\$13,672)
Indemnity payments	6.062	GR	\$100,000	\$95,646	(\$4,354)
Gypsy moth program	6.077	FED	\$100,000	-	(\$100,000)
Total for Agriculture			\$8,265,815	\$485,855	(\$7,779,960)

DEPARTMENT OF LABOR AND INDUSTRIAL RELATIONS

The Department of Labor and Industrial Relations has used seventeen (17) estimated appropriations over the past seven (7) fiscal years. In the current fiscal year, they are using six (10) estimated appropriations with a total value of \$89,206,554. Several reasons for using estimated appropriations were cited by the department, including;

- Difficulty in predicting economic downturns & therefore need the flexibility of the estimated appropriation to respond to unemployment increases & ensure benefits are rec'd by applicant,.
- One time changes in life insurance premiums of retirees when the Division joined MOSERS.
- Unable to predict expenditures because of inadequate history of fund,
- The Department cannot reasonably estimate the number of claims, but must be able to pay benefits,
- Difficulty in predicting adverse trade conditions or disasters & therefore need the flexibility of the estimated appropriation pay benefits to qualified applicants, and
- To capture potential increases in Federal funding

A common theme used by the Department when asked why an estimated appropriation was used was that "certain variables were very difficult to predict but that benefits had to be paid out to qualified applicants regardless." Variables such as the onset of an economic downturn, federally declared disasters, adverse trade conditions that force people out of work, workers compensation claim settlements and crime victims' claim settlements were very difficult to predict, so usage of the estimated appropriation was considered the correct alternative. The same reasons are cited for discrepancies between the original appropriation estimate and the actual expenditures for the year. Certain appropriations that were once estimated and are not currently include:

- *Health Insurance Costs and Labor Standards EE*: Enough history has been collected to accurately predict future expenditures.
- *Trade Adjustment Assistance Program*: This appropriation transferred to the Department of Economic Development.
- *Gov council on disability E&E, Human Rights PS, and Human Rights EE*: The Senate changed the budget line item from an estimated appropriation to a non-estimated Appropriation.

Description	Fiscal Year 1999				
	Bill Section	Fund	Original Appropriation	Actual Expenditure	Amount Over (Under) Appropriation
Personal Service	7.800	FED	\$9,581,434	\$7,092,292	(\$2,489,142)
Expense and Equipment	7.800	FED	\$11,704,306	\$5,196,402	(\$6,507,904)
Labor standards EE	7.820	OTH	\$44,350	\$19,436	(\$24,914)
Workers' Comp special claims	7.845	OTH	\$25,000,000	\$27,193,602	\$2,193,602
Crime victims claims	7.855	FED	\$1,500,000	\$586,102	(\$913,898)
"		OTH	\$4,500,000	\$3,989,873	(\$510,127)
Employment security PS	7.860	FED	\$44,674,332	\$33,396,573	(\$11,277,759)
Employment security EE	7.860	FED	\$13,807,072	\$10,273,725	(\$3,533,347)
Employment security PSD	7.860	FED	\$1,383,301	-	(\$1,383,301)
US Labor programs	7.865	FED	\$18,000,000	\$2,409,787	(\$15,590,213)
Trade adjustment assistance program	7.870	FED	\$6,000,000	\$1,254,958	(\$4,745,042)
Employment security law	7.875	OTH	\$6,000,000	\$877,518	(\$5,122,482)

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Debt offset	7.885	OTH	\$1,200,000	\$1,014,210	(\$185,790)
Gov council on disability E&E	7.890	FED	\$383,488	\$293,620	(\$89,868)
Human Rights PS	7.895	FED	\$529,789	\$356,301	(\$173,488)
Human Rights EE	7.895	FED	\$186,480	\$40,000	(\$146,480)
Total for Labor			\$143,778,283	\$93,598,098	(\$50,180,185)

DEPARTMENT OF ECONOMIC DEVELOPMENT

The Department of Economic Development (DED) had thirty-eight estimated appropriations in FY2000 which totaled over \$127.8 million. The Department had three estimated appropriations that totaled approximately \$96 million in the same fiscal year. All of those three related to federal programs. For these federal program appropriations, the DED gave the general response that the appropriations have to be estimated to ensure they have the spending authority available to spend the federal government funding received for the particular fiscal year.

The single largest estimated appropriation in the DED for FY 99 was for the Job Development and Training Activities appropriation. The Department stated they received appropriation authority for \$55,000,000 in FY 99 for job development and training activities. DED spent approximately \$52,700,000 from this appropriation in FY 99.

Description	Fiscal Year 1999				
	Bill Section	Fund	Original Appropriation	Actual Expenditure	Amount Over (Under) Appropriation
Economic development grants	7.035	FED	\$500,000	-	(\$500,000)
"		OTH	\$500,000	-	(\$500,000)
Transfer to Admin fund for rent	7.010	FED	\$10,049	\$8,989	(\$1,060)
"		OTH	\$59,814	\$32,204	(\$27,610)
Transfer to Admin fund for support ser.	7.015	FED	\$3,283	\$5,073	\$1,790
"		OTH	\$126,363	\$105,715	(\$20,648)
Women's council programs	7.075	FED	\$50,000	\$105,921	\$55,921
MO Finance Board (MEDEIB)	7.045	OTH	\$200,000	\$162,589	(\$37,411)
Trade show rental space/programs	7.035	OTH	\$75,000	\$19,688	(\$55,312)
Community development corps	7.056	FED	\$1	-	(\$1)
"		OTH	\$1	-	(\$1)
Community Development - Main St. Youth Opportunities/Violence program	7.055	OTH	\$100,000	\$3,771	(\$96,229)
Community Development Block Grant	7.055	OTH	\$1	-	(\$1)
	7.055	FED	\$35,000,000	\$29,976,174	(\$5,023,826)
Community services commission	7.055	FED	\$2,500,180	\$2,217,050	(\$283,130)
Job Development and Training activities	7.075	FED	\$55,000,000	\$52,716,744	(\$2,283,256)
Community college training	7.045	OTH	\$8,000,000	\$9,147,919	\$1,147,919
Youth Service/Cons Corps	7.075	OTH	\$550,000	-	(\$550,000)
Housing subsidy grants	7.090	OTH	\$3,500,000	\$4,031,191	\$531,191

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MO Arts Council - E&E	7.055	FED	\$930,467	\$402,219	(\$528,248)
Humanities Council	7.055	FED	\$532,000	\$150,000	(\$382,000)
Tourism - E&E	7.080	OTH	\$15,000	-	(\$15,000)
Transfer to Finance	7.100	OTH	\$39,400	\$65,226	\$25,826
Transfer to Finance	7.105	OTH	\$150,000	\$257,046	\$107,046
Division of Transportation EE (all exp)	7.110	FED	\$313,133	\$251,844	(\$61,289)
Light rail	7.110	OTH	\$15,000	-	(\$15,000)
Transfer to Highway fund	7.115	OTH	\$180,000	\$104,653	(\$75,347)
Transfer to Railroad expense fund	7.120	OTH	\$3,500	\$592	(\$2,908)
Transfer to Highway fund	7.125	OTH	\$3,500	-	(\$3,500)
PSC manufactured housing programs	7.090	OTH	\$7,935	\$17,809	\$9,874
Deaf relay service - E&E	7.130	OTH	\$3,500,000	\$3,404,125	(\$95,875)
Prof Reg Admin - examination fees	7.140	OTH	\$88,000	\$85,186	(\$2,814)
Prof Reg Admin - refunds	7.140	OTH	\$35,000	\$42,420	\$7,420
Transfer to Prof Fees Fund	7.135	OTH	\$4,688,155	\$4,903,792	\$215,637
PR Cosmetology - testing fees	7.140	OTH	\$48,475	-	(\$48,475)
PR Healing arts - testing fee services	7.140	OTH	\$201,235	\$155,445	(\$45,790)
PR Pharmacy - criminal history check	7.140	OTH	\$41,140	\$12,670	(\$28,470)
PR Vets - testing fee services	7.140	OTH	\$40,000	\$28,270	(\$11,730)
PR transfer to Real Estate	7.145	OTH	\$15,843	-	(\$15,843)
Transfer to General Revenue	7.150	OTH	\$1,390,516	\$766,968	(\$623,548)
Total for Economic Development			\$118,412,991	\$109,181,293	(\$9,231,698)

DEPARTMENT OF PUBLIC SAFETY

Many of the estimated appropriations for Department of Public Safety (DPS) represent federal funds, for which DPS indicates the estimation is necessary in order for Missouri to be eligible to maximize funds received. DPS attempts to make their estimations based on information available from the U.S. Department of Justice. In many instances, the grant periods overlap multiple fiscal years, resulting in variances between appropriations and expenditures, according to DPS. A significant number of other such variances result from interagency transfers (transfers of funds to other state agencies, including among divisions of DPS) that are not considered expenditures in the financial information provided. In addition, funds for the Statewide Emergency Management Agency (SEMA) are estimated due to the inability to predict the occurrences of natural disasters and their resulting costs.

Description	Fiscal Year 1999				
	Bill Section	Fund	Original Appropriation	Actual Expenditure	Amount Over (Under) Appropriation
Firing range expenses	8.005	OTH	\$1,500	-	(\$1,500)
MO crime prevention E&E	8.005	OTH	\$50,000	-	(\$50,000)
Juvenile justice challenge grant	8.015	FED	\$350,000	\$152,662	(\$197,338)
Juvenile justice delinquency prevention	8.020	FED	\$1,800,000	\$1,448,285	(\$351,715)

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Peace officer training	8.075	OTH	\$650,000	\$1,034,029	\$384,029
Local law enforcement block grant	8.033	FED	\$720,000	\$599,104	(\$120,896)
Narcotics control assistance program	8.035	FED	\$9,800,000	\$654,329	(\$9,145,671)
Victims of crime program	8.055	FED	\$4,500,000	\$3,232,961	(\$1,267,039)
Services to victims program	8.050	OTH	\$2,100,000	\$2,110,230	\$10,230
Violence against women program	8.060	FED	\$2,600,000	\$2,369,166	(\$230,834)
Rural domestic violence and child victim	8.076	FED	\$300,000	-	(\$300,000)
High intensity drug trafficking area	8.078	FED	\$1,800,000	\$910,374	(\$889,626)
Highway patrol fringe benefits	8.090	GR	\$2,937,759	\$2,149,103	(\$788,656)
"		FED	\$1,428,928	\$674,112	(\$754,816)
"		OTH	\$28,428,288	\$22,136,129	(\$6,292,159)
HP Enforcement program - E&E	8.095	FED	\$3,160,303	\$2,227,738	(\$932,565)
"	8.090	OTH	\$1,341,048	\$589,386	(\$751,662)
Vehicle replacement	8.105	OTH	\$5,188,031	\$5,065,387	(\$122,644)
HP Crime labs - E&E	8.110	OTH	\$1	\$59,000	\$58,999
HP refunding unused motor vee stickers	8.125	OTH	\$50,000	\$29,387	(\$20,613)
Water Patrol E&E	8.135	FED	\$915,334	\$950,232	\$34,898
Refunds on unused liquor/beer licenses	8.145	GR	\$18,000	\$15,745	(\$2,255)
Fire Safety E&E	8.150	FED	\$1,324	-	(\$1,324)
Transfer to Fire education fund	8.152	GR	\$1	-	(\$1)
Transfer to Fire education trust fund	8.153	OTH	\$1	-	(\$1)
Fire Safety contracted services	8.155	OTH	\$142,238	\$79,115	(\$63,123)
Community right to know	8.257	OTH	\$535,000	\$423,585	(\$111,415)
Highway safety grants	8.170	FED	\$4,000,000	\$3,202,916	(\$797,084)
"	8.190	OTH	\$3,467,826	\$1,775,143	(\$1,692,683)
Gaming refunds	8.200	OTH	\$100,000	\$18,732	(\$81,268)
Gaming refunds - bingo	8.205	OTH	\$10,000	-	(\$10,000)
Adjutant General oper M/R	8.225	FED	\$600,000	-	(\$600,000)
Adjutant General armory fuel/utilities	8.235	OTH	\$25,000	\$32,525	\$7,525
AG training site costs	8.240	OTH	\$244,800	\$244,377	(\$423)
AG MO military forces - PS	8.245	FED	\$4,694,934	\$4,701,882	\$6,948
AG MO military forces - E&E		FED	\$845,832	\$4,814,907	\$3,969,075
AG MO military forces - refunds		FED	\$30,000	\$141,857	\$111,857
AG SEMA distributions to local comms	8.150	FED	\$130,000	\$47,277	(\$82,723)
AG SEMA grants	8.260	FED	\$1,500,000	\$1,985,967	\$485,967
AG SEMA grants		OTH	\$500,000	\$13,475,876	\$12,975,876
AG SEMA matching funds		GR	\$66,264	\$2,305,311	\$2,239,047
Total for Public Safety			\$85,032,412	\$79,656,829	(\$5,375,584)

DEPARTMENT OF CORRECTIONS

The Department of Corrections (DOC) had two estimated appropriations in FY00 that were both \$1E. One of the appropriations was for federal grants and awards. It is used to take advantage of grant opportunities that arise after the fiscal year appropriations have been set. The other estimated appropriation is for the Working Capital Revolving Fund. It is used to fund industries operations that

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provide vocational training, work skills, and job opportunities for incarcerated offenders. According to DOC, the \$1E appropriation is still needed due to the possibility that an opportunity to use the fund to provide more activities for offenders does arise.

Description	Fiscal Year 1999				
	Bill Section	Fund	Original Appropriation	Actual Expenditure	Amount Over (Under) Appropriation
Population increase all costs	9.070	FED	\$1	\$782,149	\$782,148
"	9.070	OTH	\$1	\$38,036	\$38,035
Lease payment - Potosi	9.266	GR	\$1	\$10,754	\$10,753
Total for Corrections			\$3	\$830,939	\$830,936

DEPARTMENT OF MENTAL HEALTH

The Department of Mental Health (DMH) had four estimated appropriations in FY 99 totaling over \$5,000,000. Only one of the appropriations was for a federal program. It is used to capture any federal grants that become available while the General Assembly is not in session. The largest estimated appropriation in FY 99 was for the Substance Abuse Traffic Offenders Program (SATOP) which totaled \$2,093,800. Missouri drivers found to be intoxicated or under the influence of drugs are required to attend a SATOP program and pay a \$60 fee to help offset the costs of the program. DMH officials stated that they request this appropriation to be estimated as they do not control the number of people referred to the program and to avoid requesting supplemental funding authority.

Description	Fiscal Year 1999				
	Bill Section	Fund	Original Appropriation	Actual Expenditure	Amount Over (Under) Appropriation
Federal grants available b'twn sessions	10.035	FED	\$1,014,000	\$156,120	(\$857,880)
Debt offset	10.020	OTH	\$70,000	\$19,961	(\$50,039)
Reduce drunk driving (SATOP)	10.130	OTH	\$2,093,800	\$1,233,089	(\$860,711)
Involuntary civil commitments	10.220	GR	\$950,000	\$800,902	(\$149,098)
Total for Mental Health			\$4,127,800	\$2,210,072	(\$1,917,728)

DEPARTMENT OF HEALTH

The Department of Health (DOH) had six estimated appropriations in FY 1999 totaling over \$36,000,000. Four of the six appropriations related to federal programs. One of the non-federal program appropriations is for the Chronic Disease Organ Donation program which is a result of legislation passed in FY 97 to allow Missourians to donate \$1 for public awareness of organ donation. The other non-federal appropriation is for Debt Offset, which allows the Department to intercept tax refunds from persons that owe money to the Department.

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The largest estimated appropriation (\$33,000,000) is for the child and adult care food program. The program provides reimbursements to childcare and adult care facilities for meals served to eligible children and adults. Since the program is an entitlement program from the federal government, the amount of funding received increases as the caseload increases. The DOH stated they requested the estimated appropriation in FY 94 to avoid the need for requesting supplemental appropriations if the caseloads exceed projections. The appropriation remained a regular, non-estimated appropriation from FY 95 to FY 99. The appropriation was estimated in FY 99 and FY 00 as the federal government changed the criteria for eligible persons and the DOH requested the estimated status to ensure all facilities could participate in the program.

Description	Fiscal Year 1999				
	Bill Section	Fund	Original Appropriation	Actual Expenditure	Amount Over (Under) Appropriation
Federal grants available b'twn sessions	10.650	FED	\$1	\$1,359,772	\$1,359,771
Debt offset	10.665	OTH	\$250,000	\$1,618	(\$248,382)
Lab services - PS/EE	10.670	FED	\$2,821,956	\$1,519,652	(\$1,302,304)
"		OTH	\$461,974	\$730,855	\$268,881
Child care food program	10.745	FED	\$33,000,000	\$26,981,533	(\$6,018,467)
Chronic disease organ donation	10.770	OTH	\$327,381	\$221,195	(\$106,186)
Total for Health			\$36,861,312	\$30,814,625	(\$6,046,687)

DEPARTMENT OF SOCIAL SERVICES

The Department of Social Services (DOS) had twenty-five estimated appropriations in FY 00 which totaled over \$1.4 billion. The Department had seven estimated appropriations over \$100 million each in the same fiscal year. All of those seven related to federal programs. For these federal program appropriations, the Department gave the general response that the appropriations have to be estimated to ensure they have the spending authority available to spend the federal government funding received for the particular fiscal year.

The single largest estimated appropriation in the DOS for FY 99 was for the Food Benefits appropriation. The Department stated that although they requested appropriation authority for \$400,000,000 in FY 99 for Food Benefits, the appropriation was set at an estimated level of \$250,000,000. The DOS spent over \$343,000,000 from this appropriation in FY 99.

Four of the federal appropriations are accounting mechanisms to draw down federal funds for the Federal Reimbursement Allowance and the Nursing Facility Federal Reimbursement Allowance. These appropriations are to demonstrate to the federal government that Missouri has matching state funds for the federal funds to be received. Transfer appropriations from the General Revenue Fund are also required for these two appropriations.

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Description	Fiscal Year 1999				
	Bill	Fund	Original Appropriation	Actual Expenditure	Amount Over (Under) Appropriation
	Section				
Expending of federal funds	11.020	FED	\$3,900,000	\$4,358,696	\$458,696
Refunds	11.040	FED	\$480,000	\$684,497	\$204,497
Distribution to counties-delinq/dep. Chld	11.045	GR	\$3,610,000	\$3,222,212	(\$387,788)
Payments to private agencies - CSEC	11.090	FED	\$990,000	\$65,504	(\$924,496)
"		OTH	\$510,000	\$35,023	(\$474,977)
Reimbursement to counties - CSEC	11.095	FED	\$6,980,000	\$6,044,233	(\$935,767)
Reimbursement to feds - CSEC	11.100	FED	\$25,300,000	\$31,589,586	\$6,289,586
Debt offset	11.100	OTH	\$5,800,000	\$876,174	(\$4,923,826)
Refunds	11.105	OTH	\$171,000	\$472,092	\$301,092
Child care services	11.170	FED	\$78,800,000	\$55,329,001	(\$23,470,999)
Food benefit transactions	11.180	FED	\$250,000,000	\$343,059,329	\$93,059,329
Distribution of supplem'l security income	11.200	FED	\$4,000,000	\$2,283,633	(\$1,716,367)
IndoChina Assistance Act benefits	11.210	FED	\$2,040,000	\$2,215,876	\$175,876
Community Services Block Grant	11.215	FED	\$10,000,000	\$9,930,433	(\$69,567)
Emergency Shelter Grant	11.225	FED	\$1,340,000	\$1,096,922	(\$243,078)
Domestic violence grants	11.275	FED	\$1,000,000	\$1,055,520	\$55,520
Child Abuse/Neglect Prevention Grant	11.280	FED	\$1,000,000	\$457,813	(\$542,187)
Childrens personal fund transactions	11.285	OTH	\$10,600,000	\$7,629,772	(\$2,970,228)
Third party collection fees	11.405	OTH	\$3,000,000	\$194,542	(\$2,805,458)
	11.420	OTH	\$22,800,000	\$36,812,553	\$14,012,553
Federal reimbursement allowance prgm	11.465	FED	\$213,000,000	\$196,500,175	(\$16,499,825)
"		OTH	\$140,000,000	-	(\$140,000,000)
Uncompensated care hospital payments	11.475	FED	\$184,000,000	\$85,694,557	(\$98,305,443)
Transfer to FRA	11.480	GR	\$140,000,000	\$155,447,467	\$15,447,467
Transfer to GR	11.485	OTH	\$140,000,000	\$155,447,467	\$15,447,467
Transfer to NFRA	11.490	GR	\$86,000,000	\$89,089,373	\$3,089,373
Transfer to GR	11.495	OTH	\$86,000,000	\$89,089,373	\$3,089,373
Nursing facility fed reimb allow program	11.505	FED	\$130,000,000	\$149,117,698	\$19,117,698
"		OTH	\$86,000,000	-	(\$86,000,000)
Medicaid services for DMH	11.510	FED	\$143,000,000	\$140,500,760	(\$2,499,240)
"		OTH	\$94,100,000	\$93,129,275	(\$970,725)
Supplemental pool for medicaid	11.525	FED	\$41,400,000	\$40,223,756	(\$1,176,244)
"	11.525	OTH	\$15,060,000	\$10,611,556	(\$4,448,444)
Total for Social Services			\$1,930,881,000	\$1,712,264,868	(\$218,616,132)

DEPARTMENT OF INSURANCE

The Department of Insurance (INS) had two estimated appropriations in FY00 totaling over \$6,000,000. The two appropriations related to market conduct/financial examinations and refunds.

Description	Fiscal Year 1999				
	Bill Section	Fund	Original Appropriation	Actual Expenditure	Amount Over (Under) Appropriation
Market conduct/financial exams	7.705	OTH	\$5,935,040	\$6,035,184	\$100,144
Refunds	7.710	OTH	\$25,000	\$32,815	\$7,815
Counseling services	7.715	FED	\$52,500	\$231,726	\$179,226
Total for Insurance			\$6,012,540	\$6,299,725	\$287,185

ELECTED OFFICIALS AND JUDICIARY

Appropriations under the Governor's office budget are estimated for National Guard emergency expenditures as they are unpredictable as to frequency and intensity of occurrence. Some of the other significant estimated appropriations for elected officials represent refunds, distributions, or debt offsets (tax intercepts) that are required by state law and over which the officials indicate they have little or no control as to the volume expended. In addition, both elected officials and court officials with estimated appropriations for federal funds note the uncertainty involved regarding the level of federal funds to be available in a given year. Officials with estimated appropriations for revenues collected for specific purposes (eg: prosecutor training) note that the estimation is needed so that they do not have to limit the revenue collected (and expended for the purpose).

Description	Fiscal Year 1999				
	Bill Section	Fund	Original Appropriation	Actual Expenditure	Amount Over (Under) Appropriation
Gov - national guard emergency duties	12.010	GR	\$1	-	(\$1)
Gov - emergency or supplemental funds	12.030	GR	\$1	-	(\$1)
Total for Governor			\$2	-	(\$2)
SOS - Wolfner EE	12.045	OTH	\$110,000	-	(\$110,000)
SOS - document preservation	12.056	OTH	\$27,515	\$3	(\$27,512)
SOS - refunds	12.050	GR	\$5,400,000	\$6,352,606	\$952,606
SOS - initiative referendum	12.055	GR	\$100,000	\$1,213,680	\$1,113,680
SOS - library network grants	12.086	OTH	\$1	-	(\$1)
SOS - federal grants	12.085	FED	\$1,500,000	\$1,571,981	\$71,981
Total for Secretary of State			\$7,137,516	\$9,138,270	\$2,000,754
STO-duplicate checks	12.105	GR	\$450,000	\$827,013	\$377,013

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STO-abandoned property claims	12.110	OTH	\$4,000,000	\$4,744,731	\$744,731
STO-transfer to abandoned fund	12.115	GR	\$150,000	-	(\$150,000)
STO-linked deposit refunds	12.120	GR	\$4,000	\$7,855	\$3,855
STO-outlawed checks	12.125	GR	\$5,000	\$4,730	(\$270)
STO-Missouri Investment Fund	12.130	OTH	\$934,684	-	(\$934,684)
Total for State Treasurer			\$5,543,684	\$5,584,329	\$40,645
AG-MO office of prosecution services	12.155	FED	\$40,000	\$15,582	(\$24,418)
AG-MOPS EE	12.155	OTH	\$50,000	\$57,660	\$7,660
Total for Attorney General			\$90,000	\$73,242	(\$16,758)
Supreme Court - federal grants, ps/ee	12.215	FED	\$1,251,351	\$3,352,463	\$2,101,112
Supreme Court - court automation	12.220	OTH	\$4,579,761	\$4,387,085	(\$192,676)
Supreme Court - debt offset	12.250	OTH	\$1	-	(\$1)
Total for Supreme Court			\$5,831,113	\$7,739,548	\$1,908,435
Public Defender - debt offset	12.325	OTH	\$350,000	\$600,000	\$250,000
Total for Public Defender			\$350,000	\$600,000	\$250,000

COMMENTS

Appropriations and appropriated transfers, exclusive of capital project appropriations, made in estimated amounts totaled \$8.4 billion in state fiscal year 1999. Of the total \$8.4 billion in "e" appropriations, approximately \$2.2 billion was made to general revenue funded accounts. Oversight reviewed estimated appropriations and determined that actual expenditures for estimated appropriations have increased 95% from fiscal year 1994 to fiscal year 1999 while total state expenditures have only increased 50%.

Consideration could be given to limiting estimated appropriations to accounts and funds which represent legal obligations of the state such as refunds, earmarked distributions and employee fringe benefits. This would allow the General Assembly greater control over the state budget. One of the purposes of requesting estimated appropriations, according to the executive branch, is to permit the expenditure of funds where actual amounts are difficult to estimate. However, a review of each agency's estimated appropriations indicates many instances where the amounts do not appear to be difficult to estimate. In fact, in 15 % of the "e" appropriations reviewed, expenditures were within 5% of the estimated amount. Some were consistently close to estimates year after year. Wherever possible, the General Assembly should encourage state agencies to utilize the regular appropriation process when amounts can reasonably be estimated. Agencies could request additional funds through the supplemental budget process mid-year for any shortages or overages that need to be addressed.


In some other areas it appears the agencies could do a better job of estimating the amounts of requested "e" appropriations. For instance, the Department of Natural Resources had 29 estimated appropriations in fiscal year 1999 totaling \$45.6 million. The actual expenditures for those accounts totaled \$29.9 million leaving a variance of \$15.7 million in unspent appropriations, or 33%. Another example would include the Department of Revenue's general revenue tax refund account. The estimated amount for fiscal year 1999 was \$548.2 million; however, the actual expenditures were \$783.3 million. The variance was an overage of \$235 million, or 42%. Much of the variance was likely due to the passage of major tax legislation resulting in increased tax refunds for Missourians. However, no adjustments were made to the general revenue estimated appropriation to account for the changes.

The General Assembly should consider urging state agencies to attempt to gather data which would lead them to a more accurate estimate of appropriation needs. In this endeavor, anticipated legislative and economic changes during the year should be taken into account. Adjustments should be made, with notification to the appropriation committees.

Currently the General Assembly does not receive a regular, written status report from state agencies on estimated appropriations. Oversight reviewed the process for adjusting or exceeding a state agency's estimated appropriation amount that was included in the formal budget approved by the General Assembly. It appears the process for adjusting estimated appropriations amounts upward is very informal. Currently, if a state agency needs to exceed the estimated amount, they notify the Office of Administration, Division of Budget and Planning by telephone or in writing for approval to exceed. There is no formal documented process for the state agencies or Budget and Planning to follow for these requests. Budget and Planning does not keep a record of the telephone requests or written requests, nor do they notify either of the General Assembly's appropriation staffs of the change in amount and the reason for the change.

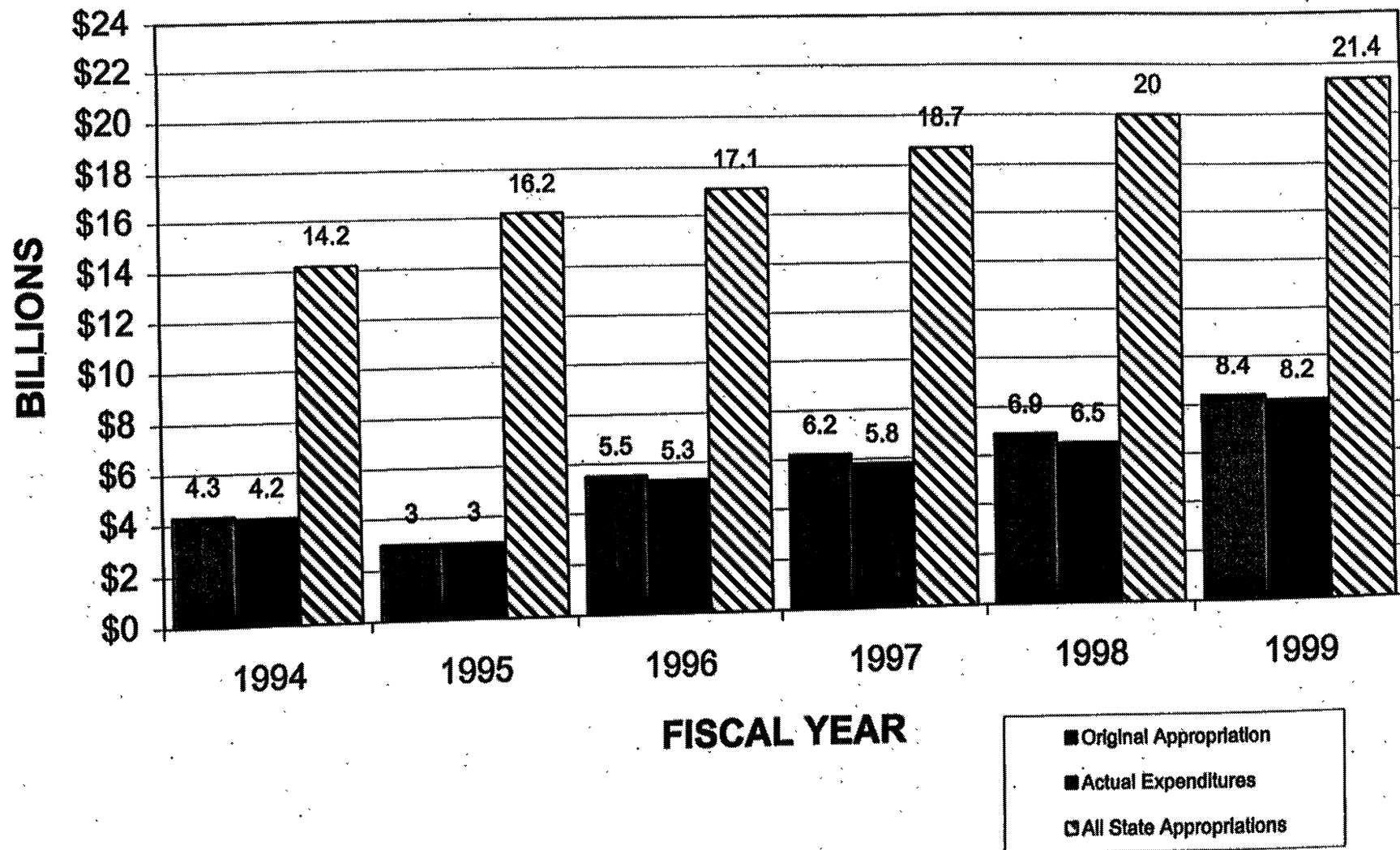
The General Assembly might consider formalizing the process for an agency's request for approval to exceed estimated appropriation amounts. In addition, regular status reports could assist the General Assembly in determining future budget needs. Such reports would be especially helpful prior to the preparation of the budget for the succeeding fiscal year.

The Oversight Division expresses appreciation to the various state departments in the executive branch for their cooperation and assistance in preparing this report for the General Assembly. We also thank the Senate Appropriations staff for their efforts.


Jeanne Jarrett, CPA
Director, Oversight Division

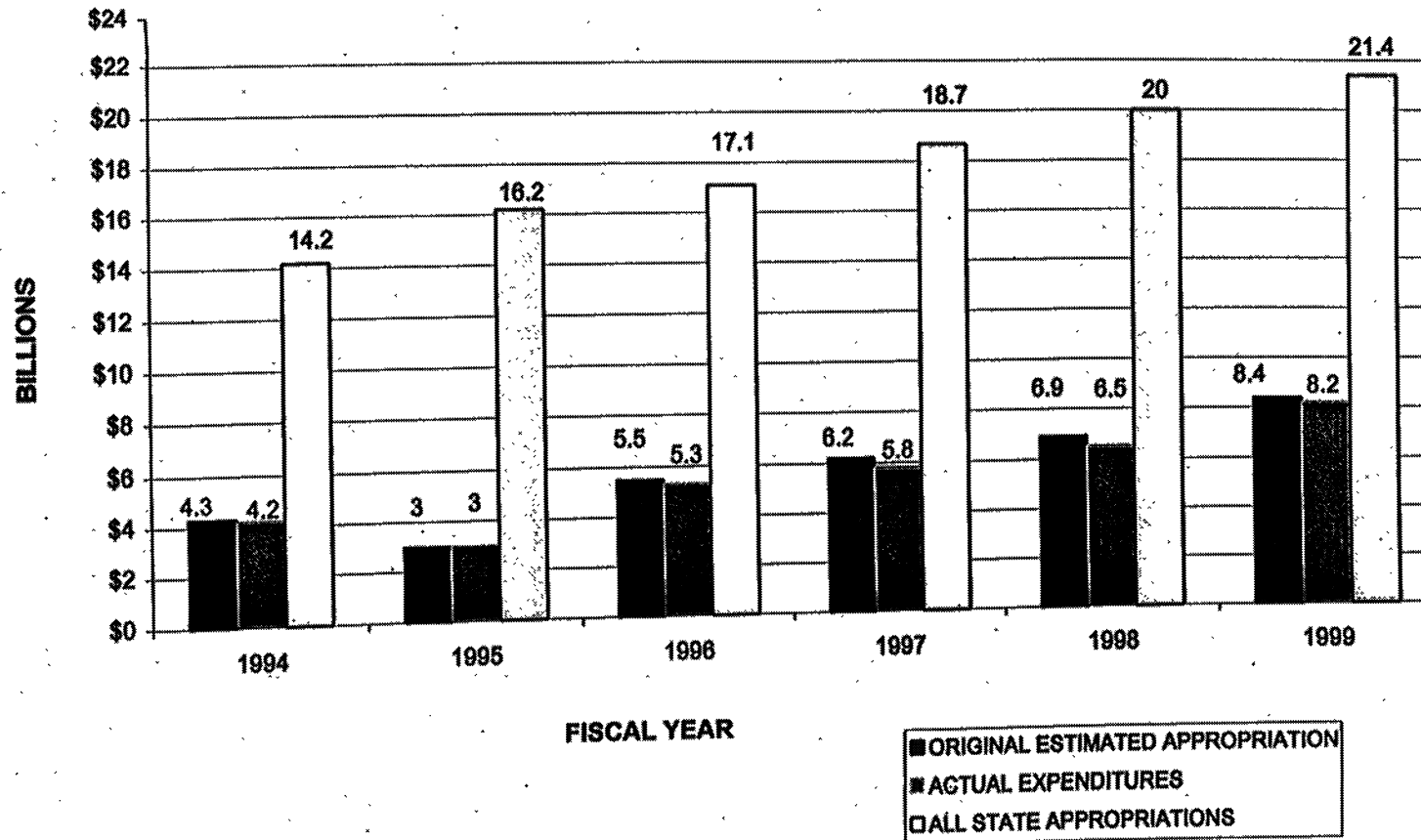
APPENDIX 1

Comparison of Statewide Estimated Appropriations and Actual Expenditures with All State Appropriations



APPENDIX 2

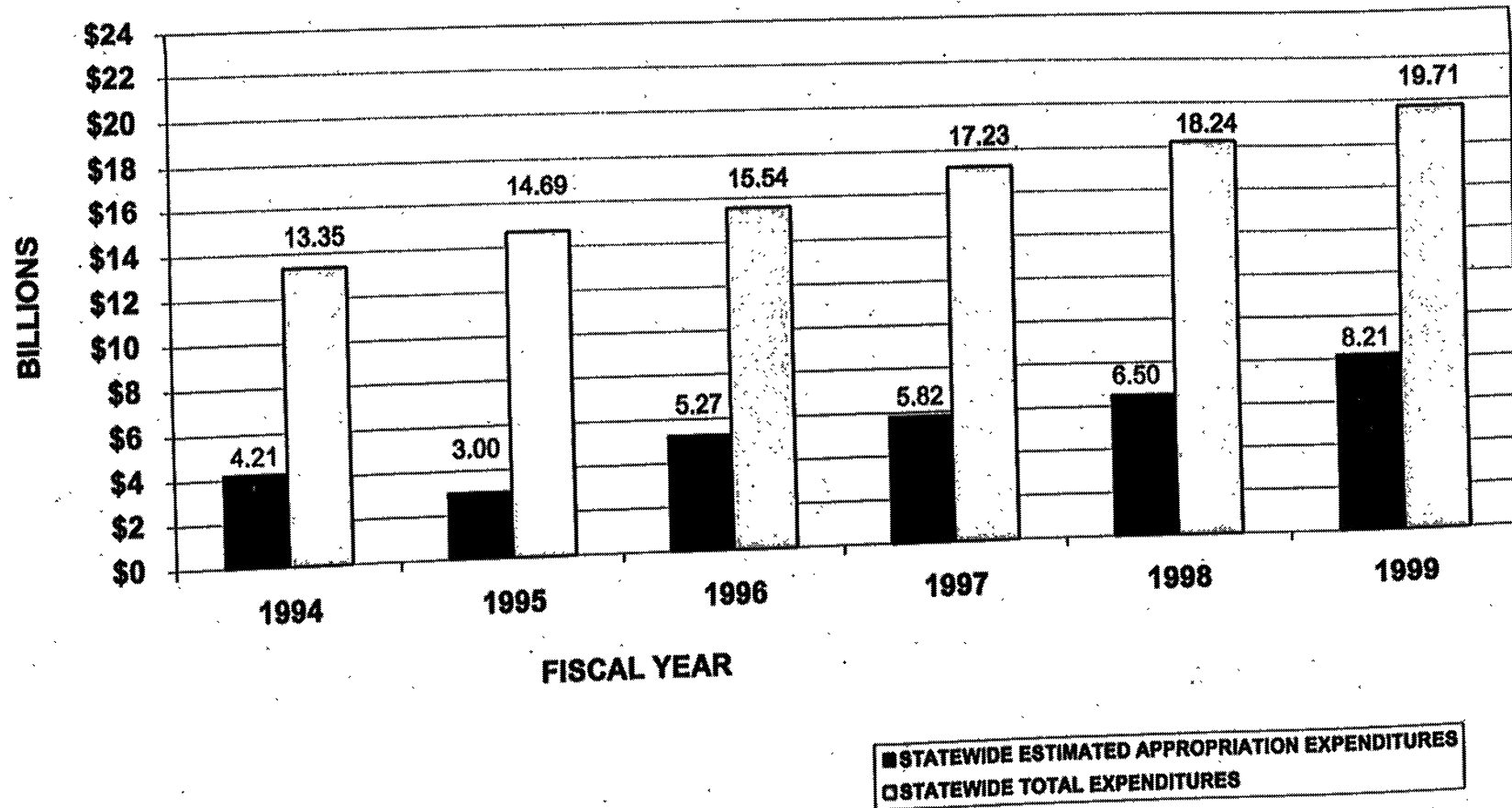
Comparison of Statewide Estimated Appropriations, Estimated Appropriation Actual Expenditures, and All State Appropriations



Statewide total expenditures include all expenditures, appropriated transfers out, other transfers, and court ordered desegregation payments.

APPENDIX 3

Comparison of Statewide Estimated Appropriation Expenditures and Statewide Total Expenditures



Statewide total expenditures include all expenditures, appropriated transfers out, other transfers, and court ordered desegregation payments.